

# Mediterranean Academy of Diplomatic Studies



MEDAC Series in Mediterranean IR and Diplomacy



Malta, December 2010

Amb. Martin Dahinden

Development Cooperation in the 21<sup>st</sup> Century:  
Looking Beyond the Surface

# Development Cooperation in the 21<sup>st</sup> Century: Looking Beyond the Surface

by Ambassador Martin Dahinden<sup>1</sup>

Director General, Swiss Agency for Development and Cooperation (SDC)

Many years ago I read Fernand Braudel's "*The Mediterranean and the Mediterranean World in the Age of Philip II*" <sup>2</sup> and it left an indelible impression on me. Has the reader heard of Braudel's great work?

The Mediterranean and its development – from its geological evolution to the end of the 16<sup>th</sup> century – is a fascinating subject. It is not the subject matter itself that makes the book unforgettable, it is Braudel's genius in piecing together the enormous quantity of material to create an epic work.

He first presents the reader with an almost static history, describing the geology, geography and the climate of the region, a history that indicates only very slow, hardly perceptible changes. Things happen over and over again; cycles recur through the work. Braudel focuses on the seasons, the maritime storms, the wanderings of the shepherds, the ways in which the mountains and rivers shape human history and ways of thinking and doing things. And we are led to understand such remarks as his observation that mountain dwellers are more conservative than people who live on the plains.

A second layer builds up over this static foundation that he later refers to as the "longue durée". In this part he writes about long-term social, cultural, economic and political developments that take as long as a century or two to unfold.

Braudel writes the third part of his book as if by duty: it is a traditional history of the major historical figures and events, "a story of short, rapid and nervous fluctuations". This history creates the illusion that those persons and events are making history while in reality they are the makings of history. Braudel shows how even great events had little impact on the course of history, for example the sea battle of Lepanto to name just one event that is closely bound to Malta's destiny.

Although I can no longer recall the precise details of the book, the way in which Braudel treats the subject matter does not leave me in peace. In particular the question comes back to me over and over again whether in our observations we are dealing with solid, barely changing structures, with developments that take a long time, or simply with events that "send ripples over the surface of history".

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<sup>1</sup> Based on the speech Ambassador Martin Dahinden delivered on the occasion of the Opening of the Academic Year 2010/2011 Mediterranean Academy of Diplomatic Studies MEDAC, Malta, 1<sup>st</sup> October, 2010

<sup>2</sup> *The Mediterranean and the Mediterranean World in the Age of Philip II*, Berkeley 1996; *La Méditerranée et le monde méditerranéen à l'époque de Philippe II*, Paris 1949; *Das Mittelmeer und die mediterrane Welt in der Epoche Philipps II.* Suhrkamp, Frankfurt am Main 1990

## **Making order of a world of appearances**

In development cooperation we consciously focus on the middle layer. This is immediately clear by the name we give to describe our work: development cooperation. It is oriented to the longer term and not to the level of events. Endurability and sustainability define the main characteristics of good development cooperation.

When confronted with concrete challenges, the different layers that Braudel so carefully identifies and separates in his analysis begin to merge.

In development cooperation we are faced with an overwhelming volume of concrete facts and appearances: the roles of the sexes, the world trade regime, rural development, the fight against malaria, the effects of climate change, natural disasters, good and poor governance, armed conflicts, religious fanaticism, migration and many other causes and effects. How can we order all what is the case in an understandable and purposeful way, and how can we derive from it approaches to solving problems, eliminating poverty, and ensuring human security that will create a form of globalisation that furthers development?

As soon as we look at the present and not at the future we inevitably get caught in a trap. It is then no longer possible to identify developments, i.e. the middle layer, to separate them from their immediate surroundings, recognise them and shape them. The underlying structures play nasty tricks on us – relentlessly, with great stubbornness and effect. Everywhere we turn, we come up against a cultural or social rock that makes progress difficult.

Events also sabotage our efforts: changes in government throw programmes into question; conflicts destroy in a short time things that have taken many years and resources to create; natural disasters wreak instant havoc, throwing back years, in just a few minutes, the development of nations or whole regions.

And finally we realise that we too – that our knowledge and our visions – are circumscribed by all sorts of preconditions and are influenced by impressions that we ourselves do not fully understand, and therefore we do not fully control. Often we realise only too late that we, men and women, are merely players – even when we believe ourselves to be in a position to influence history.

Thoughts like this went through my mind when I was sitting in the United Nations General Assembly in New York at the Conference on the Millennium Development Goals<sup>3</sup>, and listened to the many, at times, extremely long-winded statements of the speakers.

## **Poverty and development**

Overcoming poverty is the central objective of development cooperation. The World Bank defines as poor, people who live off less than 1.25 dollars (a dollar twenty five) a day. But those who think more deeply about poverty are critical about such definitions. Poverty is not simply quantifiable even though we need quantifiable information for political and economic action.

Poverty is the lack of prospects; it is life on the edge of existence, one of privation and degradation. This explains why simple answers to overcoming poverty just don't exist. Poverty cannot be solved with money alone. Poverty has a great deal to do with the condition of societies, how well a society cares for the individuals who make it up, and how easily they are able to realise their hopes and aspirations. It is also about external conditions such as the state of the natural environment, the

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3 High-Level Plenary Meeting of the General Assembly, New York, September 20 – 22, 2010.

absence of conflicts and wars, as well as the freedoms of expression, to meet and talk with others, and to form organisations. Amartya Sen, economist and Nobel-prize winner, has developed a framework that is directly concerned with human capability and freedom. His Capability Approach has emerged as the alternative to currently accepted economic models for understanding poverty, inequality and human development.

We apply the concept of poverty to people and groups of people. Countries can also be described as poor if they lack the opportunities and the prospects to meet the basic needs of their citizens.

Poverty and overcoming it has always been a major concern and issue for religions, philosophers, social critics and economists. It has been the object of the policies of individual states as well as a central aspect of development cooperation work.

The Millennium Development Goals (MDGs) are an outstanding contribution to overcoming poverty throughout the world. They were drafted at the beginning of the new millennium, integrating the action plans of the different world conferences of the 1990s. The MDGs are measurable objectives that can exert pressure so that by 2015 tangible progress is achieved in reducing poverty. In this way, not only poverty but also progress in alleviating it is subject to quantifiable assessment.

The MDGs have had a multiple effect: poverty has again become a central issue on the international agenda that can no longer be overlooked. This reprioritisation was urgently needed after budgets for development cooperation in the 1990s were drastically slashed following the end of the Cold War. At that time, the typical programmes in international cooperation on reducing poverty became much less important. For me, there can be no doubt that the restoration of the fight against poverty to its former prominence on policy agendas is the most outstanding success of the Millennium Development Goals.

What has been achieved in concrete terms? Progress has been quite mixed. Not all the Millennium Development Goals, not all countries, not all population groups have benefited to the same extent. First the good news: the proportion of the world's population living in absolute poverty has been reduced in the last 20 years from 43 % to 27 %. Major progress has been made in fighting diseases associated with poverty, in particular malaria, tuberculosis and AIDS.

However in the area of maternal and child health and access to sanitary facilities, little progress has been made. With respect to environmental goals, the situation has deteriorated. Although the resources for official development assistance have increased to 120 billion dollars per year, it is still not enough and is far behind the pledges made by the donor countries.

Neither have the overall framework conditions for the developing countries fundamentally improved. A fairer trade regime is still not in sight; the Doha Round – which was launched as “Development Round” – has come to a standstill. Market access for the products of developing countries has hardly improved, and distorting agricultural subsidies remain in place. This list of obstacles to free market access can easily be extended.

It is not surprising therefore that the countries of the South are dissatisfied and that they are raising the political pressure on the industrialised nations. The question of the future of development cooperation will sooner or later gain renewed relevance. In day-to-day political business, attention will focus on the promises of the countries of the North that have not been honoured, but behind closed doors doubts will also be voiced about the approaches that have been adopted.

Perhaps Braudel's approach could be useful: to us, the MDGs appear as individual measures that are certainly useful for the people concerned. However, do they allow us to influence structures and processes that will lead to the elimination of poverty in the long term? Or rather, are the MDGs and the relevant indicators creating the illusion that we are influencing developments when in reality we are merely players? The question sounds familiar.

## Beyond the surface

In the next few years, the question will be asked whether poverty can be successfully eradicated if we remain on the surface, continuing to address, in some ways, primarily its effects. Shouldn't we be looking more closely at the more fundamental processes, at the systemic context and its interactions? Isn't poverty something more complex than life on less than 1.25 dollars a day?

I am convinced that the issues addressed by the Millennium Development Goals will remain important. Elementary education, health, access to water, and equal opportunities are goals that we must improve in quantitative terms. It cannot be in anyone's interest to be questioning the MDGs just a few years before the deadline of 2015.

However it is important to think further ahead and more deeply, and to take into account the interactions and interdependences and to include them in our approach to solving this problem.

Representatives of the countries of the South are right to criticise the MDGs on the grounds that essentially they are addressing and trying to alleviate the external downsides of globalisation and not focusing on the really important questions for development. This assessment, which contains criticism of the lack of inclusion of the developing countries in decisions of global importance, cannot be brushed aside.

I will now go into some aspects that are not central to the MDGs but must without doubt become more important in the future. I am aware that, in addition to the MDGs, there are other internationally agreed development objectives that address the aspects I now want to discuss.

The relationship between poverty, development and the environment has been acknowledged for a long time. However, it has limited importance in the MDG agenda. In future, the linking-up of social and ecological as well as gender-related and cultural aspects must receive greater attention.

Poverty cannot be defined solely in terms of lack of money, but in terms of lack of power and legal rights as well. Lack of rights, including property rights, or exclusion from political processes are decisive reasons for social marginalisation. Precisely for this reason, strategies to alleviate poverty must focus on strengthening rights and opportunities for the poor.

The role of new actors must be better taken into account – it is no longer a question of the relationship between the OECD countries and the developing world. Due to the enormous economic growth in these countries, China and India are making permanent changes to the world economy, and growth in economic power translates into increased political power on the world stage. To address the risks of globalisation it will be necessary to include China, India and other emerging countries in an effective multilateral system.

But new global actors are not the only factor we need to consider. The nature of international relations is also changing. The recent financial crisis has clearly shown how quickly the interdependence of countries has grown. It has also thrown into the limelight the needs that must be addressed by policies on restructuring the process of globalisation and on the task of containing its risks.

The recommendations on dealing with the consequences of the world financial crisis that have been proposed by the UN commission headed by the Nobel prize-winning economist, Joseph Stiglitz, give an idea of these needs. The recommendations for systemic reforms in the International Monetary Fund and the financial system go far beyond those made within the context of the UN and its consensus-based system of decision making. Among other things, the Commission recommends the following:

- The creation of a UN Council for economic questions;
- The establishment of an international group of experts to deal with systemic risks in the world economy;

- The upgrading of the UN Committee of Experts on International Cooperation in Tax Matters to the status of intergovernmental body;
- The introduction of innovative instruments for financing development (international financial transaction tax) and a global fiscal package for developing countries;
- A review of cooperation between the UN and the Bretton Woods Institutions with the aim of integrating the latter into the UN System.

To reduce the probability of future crises, long-term measures must be introduced to ensure that development financing is more stable and sustainable. The developing countries need rules that protect them from the consequences of the mistakes made by the major players in the system. The reform of the international financial institutions should result in a system of global economic policy coordination.

For the last twenty years there has been a heated debate on regulatory policy in the context of globalisation. We hear statements like: “Globalisation frees the economy from the chains of the national regulators” or “Globalisation promotes prosperity through international rules and governance structures that will ensure stability and a fair balance of interests in the global economy”.

Joseph Stiglitz defines the challenge of overcoming the current world economic situation in the following way: “Economic globalisation has outpaced the globalisation of politics and mind-sets. Greater interdependence increases the need for coordinated action, but we still lack the institutional frameworks to do this effectively and democratically.”

Development and climate change is an important theme on the international agenda. However, the effects of climate change are extremely unevenly spread around the world. In the future, it is especially the countries of the South that will lose out in the race for resources and as a result of droughts, floods, erosion, and other environmental adversities related to climate change.

Climate change is not only an “environmental problem”. It has far-reaching implications for societies, economies and the international system. The political, social and economic impacts of climate change will vary widely from region to region. What is certain, however, is that the impact on the developing countries, which are generally less able to adapt than the industrialised world, will be particularly severe. A strategy of risk avoidance is the key ethical, political and economic imperative.

This strategy must include a radical reduction in greenhouse gas emissions during the coming decades: in other words, the transition from a fossil fuel to a low carbon economy. Reducing global greenhouse gas emissions and redressing the expected effects of climate change will be very costly. Because environmental stress does not stop at national borders and because conflict dynamics often spill over into neighbouring countries, “climate crisis” regions could emerge. The impacts of these climate-induced dynamics are giving rise to new challenges to the international system. Questions are being asked about fair ways to share responsibilities. International conflicts over compensation for climate damage are likely to occur between the main drivers of climate change and those most affected.

The negotiations at the Climate Conference in Copenhagen showed how short-term national interests can block the implementation of a global solution to climate change. The negotiations also showed how a relatively small number of countries have the potential to accelerate climate change through their refusal to cooperate.

The challenge is that it will not be possible to build – without considerable difficulty – a fair multilateral system of the future on the foundations of that which emerged after the end of the Second World War. The discussions on possible global structures will become the front line of conflict. Institutions such as the G7 or G8, the WTO and the Bretton Woods Institutions, perhaps even the UN, will constantly have to adapt or lose influence.

Global processes are influencing the development prospects of poor countries. The establishment of a fair set of rules that will give developing countries prospects and opportunities will remain a major concern. Effective global economic governance not only requires the inclusion of transition and developing countries but also of non-state actors. Parallel to the Doha round, however, the OECD states continue to push for regional and bilateral trade agreements to the detriment of the weaker developing countries.

In the meantime, awareness is growing about the destructive effects for the development process when important functions of the state are neglected: a market economy cannot function without effective regulatory policies and an efficient legal system. And it cannot be ignored that social development depends on the security of those public goods that the market does not generate through its own processes.

Private-public partnerships will gain in importance even though they are certainly not the solution for all development problems. Cooperation between development agencies and the private sector, e.g. in establishing vocational training facilities in developing countries, can mobilise private resources for development cooperation.

Multinational companies are both motors of socio-economic development in developing countries and political actors in the process of structuring globalisation. In many areas, development policy is dependent on cooperation with private companies. In addition, through private as well as private-public activities, a world-wide patchwork structure has developed comprising environmental, social, and human rights standards, labels (such as fair trade) and codes of conduct (such as the Global Compact).

Globally active companies, the media, lobby groups, non-governmental organisations or social movements are gaining ground in international politics. Private actors especially are becoming more important in the environment of globalisation.

In a world that is increasingly growing together, the need to resolve cross-border problems is all the more important. Cultural tolerance and increasingly intensive communication between cultures are essential for resolving economic, social and political problems. Globally active companies are frequently setting standards in this context.

To overcome poverty permanently, not only is public development assistance necessary, economic growth is needed to help the poor help themselves and to raise incomes. Achieving this will require investment in infrastructure and economic reforms. Of course, this has already been done in the past decade – but in the concepts closely related to the MDGs, this requirement does not appear to be set in a clear relation to the overriding goal of eradicating poverty.

For political reasons, there are no references in the MDGs to the connection between poverty and violations of human and social rights. Civil society organisations in the countries of the South in particular are pointing out that human rights violations and social injustice are major obstacles to development. The rule of law, democracy and good governance form the basis for development. It is inadmissible to silently ignore these interdependences.

Failing state structures and armed conflicts are major challenges. Although the number of wars in the world is declining, still 40 to 60 states are affected by the erosion of the monopoly of the state on the use of physical force and the diminishing capacities of state institutions. Human security is directly endangered. To counter the destabilisation caused by states in crisis, strong commitments are required in development, foreign and security policies, as well as from the international financing institutions. Development measures in countries in crisis should ensure a minimum amount of public security that government activities are controlled by constitutional means, and that corruption and poverty are effectively fought. To achieve this, high priority should be given to ensuring that justice systems

function properly, that property rights are guaranteed, and that basic administrative legislation can be enacted to put a stop to the growth of criminal organisations and markets.

Through these examples I have tried to show the directions we must take in our thinking and actions. In the future, we will have to try again and again, and we will suffer many setbacks. There is no blueprint of a world order from which we can identify and then eliminate the causes of poverty. For this reason, we will also leave the illusion behind us that poverty can be eradicated merely through technical planning and implementation measures.

## Conclusion

I would like to conclude by returning to Fernand Braudel, who has helped us to give a structure to the material we are dealing with in the context of development cooperation.

The question is if the reader is familiar with the circumstances in which Braudel's "Mediterranean" was written? At the end of the 1930s, Braudel undertook comprehensive research in archives around the Mediterranean. He then had to interrupt his work when he was drafted into the French army. He spent the years between 1940 and 1945 as a prisoner of war in Germany. Without access to his files and documents, and with almost unimaginable force of memory, he began to write his book – about 4000 pages in countless volumes.

Perhaps the lack of source material enabled him first to see the principal foundations and currents of the cultural environment behind the "ripples of history", and to make them all visible for us. Perhaps it would also do us good if someone would free us from the documents, charts, policy papers, statements, etc. so that we could see more clearly the fundamental links between poverty and development.



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# About the author

## Ambassador Martin Dahinden



 Amb. Martin Dahinden

### **Ambassador, Director-General of the Swiss Agency for Development and Cooperation – SDC Berne, Switzerland**

Ambassador Martin Dahinden (born in 1955) took over the position of Director-General at the Swiss Agency for Development and Cooperation on 1st May 2008.

Prior to this, Martin Dahinden headed the FDFA's Directorate of Corporate Management (from 2004) at the Swiss Federal Department of Foreign Affairs (FDFA), after having worked as Director of the Geneva International Centre for Humanitarian Demining (from 2000 to 2004).

Martin Dahinden entered the diplomatic service in 1987. During his career, he held assignments in Geneva as member of the Swiss Delegation to GATT, at the Swiss Embassy in Paris, as Deputy to the Swiss ambassador in Nigeria, and was temporarily posted at the Swiss Mission to the UN in New York. At the Head Office in Bern, he worked at the FDFA's Service for Disarmament Policy and Nuclear Issues, as Head of the OSCE Service of Political Affairs Division I, and held the post of Deputy Head of the OSCE Coordination Unit during the Swiss Chairmanship of the OSCE in 1996. The following year, he was sent abroad as Deputy Head of the Swiss Mission to NATO in Brussels.

Before entering the diplomatic service, Dr. Martin Dahinden studied Economics (Business Administration) at the University of Zurich. He worked as a post-graduate assistant at the University, and subsequently was employed with a bank and later with a publishing house.



(L to R) Ambassador Martin Dahinden with MEDAC Director Prof. Stephen C. Calleya during his lecture to MEDAC students.



Ambassador Martin Dahinden with MEDAC students and lecturers

# About MEDAC



The Mediterranean Academy of Diplomatic Studies (MEDAC) is an institution of higher learning offering advanced degrees in diplomacy with a focus on Mediterranean issues. The programme consists of courses in International Law, International Economics, International Relations, Diplomatic History and the practice of diplomacy.

MEDAC was established in 1990 pursuant to an agreement between the governments of Malta and Switzerland. The Geneva Graduate Institute of International Studies (HEI) was among its first foreign partners.

With Malta's membership in the European Union and with the financial support of the Arab League MEDAC, more than ever, is emphasizing the Euro-Mediterranean dimension by building bridges between Europe, North Africa and the Middle East. MEDAC is a member of the European Diplomatic Training Initiative (EDTI), a group of EU diplomatic academies training EU personnel. Our institution is also part of the Advisory Board of the journal Europe's World. MEDAC has established close strategic relationships with a large number of prestigious international diplomatic institutions including the Diplomatic Academy of Vienna, the Institute for Diplomatic Studies in Cairo, Centre for European Integration Studies (ZEI) of the University in Bonn, Germany as well as Wilton Park – UK, Spanish Diplomatic School, Madrid, Spain, and Department of Mediterranean Studies, University of the Aegean, Rhodes, Greece.

## Academy Courses

- Master of Arts in Diplomatic Studies (M.A.)
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The programme of Master of Diplomacy (M.Dip.) course is designed for junior diplomats with some field experience. They are instructed in the same core disciplines as the M.A. students (Diplomatic History, International Relations, International Economics, International Law as well as selected lectures in diplomacy) but with a special emphasis on diplomatic practice, languages, public speaking and on-line skills.

The course covers two semesters, from October to June, and includes field trips to Switzerland and to Germany. (See details of all courses on our website: [www.MED-ACademy.org](http://www.MED-ACademy.org) )